

NO: R006

COUNCIL DATE: January 11, 2021

**REGULAR COUNCIL**

TO: **Mayor & Council**

DATE: **January 6, 2021**

FROM: **General Manager, Engineering**

FILE: **5519-001/11**

SUBJECT: **Award of Contract No. 5519-001-11  
District Energy Distribution Piping System Expansion**

**RECOMMENDATION**

The Engineering Department recommends that Council:

1. Award Contract No. 5519-001-11 to Complete Utility Contractors Ltd. in the amount of \$3,349,898.54 (including GST) for the District Energy Distribution Piping System Expansion project;
2. Set the expenditure authorization limit for Contract No. 5519-001-11 at \$3,700,000.00 (including GST and contingency); and
3. Authorize the General Manager, Engineering to execute Contract No. 5519-001-11.

**SCOPE OF WORK**

The construction package related to this Contract consists of the installation of approximately 1,100 lineal metres of District Energy (“DE”) insulated steel pipe, leak detections system, and communication network conduit. The project locations listed in the following table, which are also illustrated on the map attached to this report as Appendix “I”:

Map Reference Number	Project #	Project Description	Location
1	E-17269	Installation of 500m of 200-400mm DE insulated steel pipe	Whalley Boulevard: 100 Avenue to 102 Avenue
2	E-16475	Installation of 450m of 100-350mm DE insulated steel pipe	King George Boulevard: Central Avenue to 102 Avenue and Whalley Boulevard
3	E-16271	Installation of 150m of 300mm DE insulated steel pipe	Central Avenue: City Parkway to King George Boulevard

The Contract permits construction from 7:00 a.m. to 10:00 p.m., Monday through Friday, in compliance with the *Surrey Noise Control Bylaw, 1982, No. 7044*. The Contract does not include an option for contractors to work 24-hours a day, seven days a week, as there would be a financial increase for the contractor.

Furthermore, in order to facilitate safe construction due to a narrow pavement width, a full road closure is permitted for 25 working days along Central Avenue between City Parkway and King George Boulevard. Minimal impacts are anticipated as a result of the temporary road closure, as alternative parking and access is being provided to the adjacent businesses.

The contract work is expected to start in March 2021 and be completed by October 2021.

## TENDER RESULTS

Tenders for the subject Contract were opened on December 23, 2020 with the following results:

<i>Contractor</i>	<i>Tendered Amount (incl. GST)</i>	<i>Corrected Amount (incl. GST)</i>
1. Complete Utility Contractors Ltd.	\$3,349,751.54	3,349,898.54
2. BD Hall Constructors Corp.	\$5,122,478.14	No Change
3. B. Cusano Contracting (2007) Inc.	\$6,747,300.00	No Change
4. Rissling Services Ltd.	\$7,371,588.00	No Change

The Engineer's (Kerr Wood Leidal and FVB's) pre-tender estimate was \$4.5 million, including GST.

## EVALUATION

The City's consultant reviewed the tender submissions for accuracy and completeness. One tender was found to be non-compliant, and as such, was rejected. Of the remaining submissions, one minor arithmetic error was found which had no impact on the outcome of the tender process. All submissions included the required 10% bid bond and were signed on the Tender Form.

Based on the tender evaluation price, Complete Utility Contractors Ltd. provides the best value to the City. Complete Utility Contractors Ltd. has provided a Consent of Surety for a Performance Bond and a Labour & Materials Bond, and agreed to complete the work within 120 working days. Complete Utility Contractors Ltd.'s past performance on similar work has been satisfactory. They have no outstanding legal claims against the City. It is recommended that Complete Utility Contractors Ltd. be awarded Contract No. 5519-001-11.

## SUSTAINABILITY CONSIDERATIONS

The work of this Contract supports the objectives of the City's Sustainable Charter 2.0. In particular, this work relates to the Sustainability Charter 2.0 theme of Infrastructure by implementing street standards that minimize the negative impacts of transportation facilities on communities, while providing appropriate infrastructure in support of the City's transportation needs. Specifically, this Contract supports the following Desired Outcome ("DO") and Strategic Directions ("SD"):

- Building and Sites SD13: Continue to support low-carbon district energy networks;
- Energy and Climate Do8: Neighbourhood-scale district energy systems provide low-carbon energy in dense urban neighbourhoods; and
- Energy and Climate SD8: Identify areas (residential, commercial, and Industrial) where low-carbon district energy is viable and support development of new systems.

## FUNDING

Funding for this Contract is available in the approved 2021 Surrey City Energy Budget.

Scott Neuman, P.Eng.  
General Manager, Engineering

VJ/NC/cc

Appendix "I" – Map of Locations – Contract No. 5519-001-11

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